

March 27, 2019

Mr. Jeff Crechriou, Airport Services Manager
City of Marina
211 Hillcrest Avenue
Marina, CA 93933

Dear Mr. Crechriou:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Marina Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 31, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 7 and 29 – Dunes Disposition and Development Agreement funded with \$20,000,000 and \$20,000,000, respectively, in Bond Proceeds is not allowed. It is our understanding the Agency entered into a Disposition and Development Agreement (DDA) with Marina Community Partners (Developer) on May 31, 2005 for the development of approximately 290 acres of the former Fort Ord Army Base. The DDA was amended by an Implementation Agreement on September 6, 2006 and by a Second Implementation Agreement on August 5, 2008. The Agency also entered into a Tax Increment Financing Plan and Agreement (Financing Plan) on August 5, 2008. These agreements allow the Developer to request the Agency issue bonds, from time to time, if feasible under the circumstance.

The Agency's request to expend the bond proceeds is based on the Developer's potential need to issue bonds upon request, which has yet to occur. In addition, the Agency should submit an Oversight Board resolution approving the issuance of bonds for Finance's review and approval prior to requesting funding on the ROPS.

- Item No. 38 – Bond issuance cost in the total outstanding amount of \$60,000 is not allowed. Since Item No. 7 and 29 are not an enforceable obligation at this time, the bond issuance cost associated with the items are also not enforceable. Therefore, the requested amount of \$60,000 from Redevelopment Property Tax Trust Fund (RPTTF) is not allowed.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,444,661 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

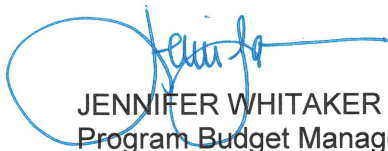
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Nicole Prisakar, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Layne Long, City Manager, City of Marina
Ms. Joey Nolasco, Auditor Controller Analyst, Monterey County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 1,260,000	\$ 2,383,000	\$ 3,643,000
Administrative RPTTF Requested	93,250	100,750	194,000
Total RPTTF Requested	1,353,250	2,483,750	3,837,000
RPTTF Requested	1,260,000	2,383,000	3,643,000
<u>Adjustment</u>			
Item No. 38	0	(60,000)	(60,000)
RPTTF Authorized	1,260,000	2,323,000	3,583,000
Administrative RPTTF Authorized	93,250	100,750	194,000
Total RPTTF Authorized for Obligations	1,353,250	2,423,750	3,777,000
Prior Period Adjustment	(332,339)	0	(332,339)
Total RPTTF Approved for Distribution	\$ 1,020,911	\$ 2,423,750	\$ 3,444,661